

**Education and Workforce Development Cabinet**

# **State agency greatly increases capacity to handle unprecedented number of unemployment claims**

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FRANKFORT, Ky. — The Kentucky Education and Workforce Development Cabinet is shoring up Kentucky's automated unemployment insurance (UI) claims systems to handle an unprecedented 88,195 Kentuckians who filed initial claims for regular unemployment insurance benefits in December 2008. The state paid a single-month record of more than \$78.6 million in regular UI claims during December.

"Each one of those numbers represents Kentuckians who are facing extremely difficult days. Each person represents a Kentucky family that is worried about how they will pay the bills in this economic downturn that is sweeping the nation," said Education and Workforce Development Secretary Helen Mountjoy. "Our agency has a tremendous responsibility as we serve our fellow Kentuckians at this difficult time and our employees on both the local and state level are making every effort to rise to the challenge."

The agency's KEWES or Kentucky Electronic Workplace for Employment Services Web site at [www.KEWES.ky.gov](http://www.KEWES.ky.gov) and automated Voice Response Unit (VRU) at 866-291-2926 were overwhelmed by the high volume of calls and Internet traffic that were inundating the unemployment insurance claims system starting Sunday. This resulted in busy signals and long waits for individuals attempting to file claims. People who are receiving UI must request benefit checks bi-weekly and verify they are still jobless. The automated system is available 7 a.m. – 7 p.m. Monday through Friday and 2 p.m. – 9 p.m. Sunday.

"I want to emphasize that every one who is qualified to receive unemployment benefits will receive a check. No one will be penalized because of problems with the automated system," Mountjoy said. "I encourage people to keep using the automated system especially since we have increased its capabilities instead of going to local employment services offices where they will be standing in line.

"Although we were able to serve about 44,000 Kentuckians through the KEWES Web site and automated phone system Sunday through Tuesday night the system was simply overwhelmed by the number of people trying to use it at the same time," said Mountjoy.

Overall system performance has stabilized greatly since Monday but ongoing analysis is underway to identify any possible bottlenecks and ensure continuous quality improvement. As of today, the number of Web site users that can be served at the same time has been doubled from 1,600 to 3,200.

"Since Monday our information technology staff has been working around the clock to build and add servers and database hardware to the KEWES system to address the problems people have been experiencing with the automated unemployment insurance claims system," said Mountjoy.

In addition, the agency has increased the number of phone lines for the automated telephone system from 384 to nearly 500 to handle the number of Kentuckians who are filing for federal extended unemployment benefits. The additional lines should help cut down on the wait time that people are experiencing.

Kentucky's seasonally adjusted preliminary unemployment rate for November 2008, the latest month available, rose to 7 percent from October 2008's revised 6.8 percent, according to the Kentucky Office of Employment and Training (OET). November 2007's jobless rate was 5.1 percent.

The U.S. seasonally adjusted jobless rate increased from 6.5 percent in October 2008 to 6.7 percent in November 2008, according to the U.S. Department of Labor.

"The number of initial claims taken in December (88,195) eclipsed the previous single-month record of 72,252 initial claims that were processed in January 1983. Also, the \$78.6 million was \$24 million more than the previous record-high of \$54 million paid out in January 2002," said Russell Salsman, director of OET, an agency in the Kentucky Education and Workforce Development Cabinet that administers the UI program.

The number of initial claims filed in December 2008 was 118 percent more than in November 2008 when 40,429 regular claims were filed and 75 percent more than in December 2007 when 50,498 were filed.

These figures do not include the federal emergency unemployment compensation (EUC) program that the agency also administers that provides extended weeks of unemployment benefits for people who have exhausted their regular 26 week of UI. During December 2008 there was an average of 14,802 weekly beneficiaries for the program. Through the EUC program the federal government has added 33 weeks of extended benefits in addition to the regular 26 weeks of UI.

"We attribute the high number of people filing claims at this time to a sharp increase in regular UI claimants, the addition of people on long-term unemployment who are drawing EUC benefits and the fact that we normally have the highest number of people filing claims in December and January because of factors such as seasonal employment," said Salsman.

Mountjoy said, "We are proud of the effort that our employees have made to serve our customers during this unusually high volume of customers. We know that it has been frustrating for our customers who are trying to use the automated claims system. We have been frustrated also because we are trying to give people good customer service but the system has been overwhelmed. We are making every effort to handle the extra load and we appreciate everyone's patience. People should start to see improvement in the automated system today."

OET helps individuals prepare for, secure, and maintain employment; assists employers in locating and selecting the best qualified workers for their job openings; and provides income maintenance to ease the financial burden on individuals who are out of work through no fault of their own.

The Kentucky Education and Workforce Development Cabinet coordinates learning programs from P-16, and manages and supports training and employment functions in the Department for Workforce Investment. For more information about our programs, visit [www.educationcabinet.ky.gov](http://www.educationcabinet.ky.gov) or [www.workforce.ky.gov](http://www.workforce.ky.gov), or call 502-564-6606.

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